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CONTRACTUAL DISPUTED ISSUES MATRIX
AT&T-SWBT INTERCONNECTION AGREEMENT - ARKANSAS
RESALE AND MISCELLANEOUS ISSUES

Issue:	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be	SWBT Language
			<p><u>event of an emergency wherein an AT&T customer must reach a non-AT&T customer that has a non-published telephone number, the AT&T operator will contact SWBT's operator and request the assistance of a supervisor as is done by SWBT's operators today.</u></p> <p><u>1.9 SWBT will provide the functionality and features within its LS or AT to route AT&T customer dialed 0- and 0+ local and IntraLATA calls to the AT&T designated trunks via Modified Operator Services (MOS) Feature Group C signaling. In all cases, SWBT will provide post-dial delay at least equal to that provided by SWBT for its end user customers.</u></p> <p><u>1.10 SWBT will forward with all Directory Assistance and Operator Services calls from AT&T customers all appropriate line data required by AT&T to identify the type of line. Such data shall include, but not be limited to, originating line number, "li" digits, line class code, and any other data elements required to allow AT&T to appropriately identify the originating line for purposes of call handling and recording.</u></p>		

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			<p><u>1.11 All direct routing capabilities described herein will permit AT&T customers to dial the same telephone numbers for AT&T Directory Assistance and Operator Services that similarly-situated SWBT customers dial for reaching equivalent SWBT services.</u></p> <p><u>1.12 SWBT, no later than five (5) business days after the date AT&T requests the same, will provide to AT&T, the emergency public agency (e.g., police, fire, ambulance) telephone numbers used by SWBT in each NPA-NXX. Such data will be transmitted via paper copies of all SWBT emergency listings reference documents from all of SWBT's Operator Services offices. AT&T agrees to indemnify and hold SWBT harmless from all claims, demands, suits or actions by third parties against SWBT, or jointly against AT&T and SWBT, arising out of its provision of such information to AT&T.</u></p> <p><u>2.0 Operator Services Busy Line Verification/Emergency Interrupt</u></p> <p><u>2.1 SWBT will provide access to Operator Services Busy Line</u></p>		

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			<p><u>Verification/Emergency Interrupt (BLV/EI) for Resale services. Such access will be performed by the SWBT operator upon receipt of a request from an AT&T operator. SWBT will meet the same performance results for AT&T customer requests as it does for SWBT customer requests and will size the trunk groups required to perform this function in accordance with the volume demands. SWBT will provide to AT&T performance reports for the BLV/EI access and success rates on a quarterly basis for the next 12 months from the date of the Agreement or as mutually agreed to between the Parties. AT&T acknowledges that SWBT will not be able to separate AT&T and SWBT results.</u></p> <p><u>3.0 Access to the Line Information Database</u></p> <p><u>3.1 SWBT will use its service order process to update and maintain, on the same schedule that it uses for its end users, the AT&T customer service information for Resale services in the Line Information Database (LIDB).</u></p>		

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			4.0 Related Services 4.1 SWBT will provide to AT&T access to its node signaling network to accommodate queries for calling card validations in real time. Database queries will receive priority equal to that which SWBT provides to itself. Database queries will receive reliability, availability, and performance equal to that which SWBT provides to itself. SWBT's performance of the node signaling network and database responses must at a minimum meet industry standards. SWBT will support database access using TCAP messages routed via Signaling Transfer Points (STPs). SWBT will record usage information for LIDB queries. SWBT will use its Signaling Control Points (SCPs) as the source of usage data. SWBT will aggregate LIDB usage by query type and by originating point code.		
12. Electronic Interfaces: AT&T: Whether SWBT must provide the order	Attachment 2: Ordering and Provisioning Section 1.4	<ul style="list-style-type: none"> The Arbitrator's holding on the Issue of Electronic Interfaces states that "The evidence demonstrates that AT&T and SWBT have reached agreement with respect to the types of 	1.4 SWBT and AT&T agree to work together to implement an Electronic Gateway Interface (EGI) that provides nondiscriminatory access to SWBT's pre-order process equivalent to that which is available to SWBT for	The parties reached agreement on this issue in the Arbitration without regard to the specifics of Attachment No. 3. That attachment served as a guide to the negotiation process. Because the implementation of	SWBT and AT&T agree to work together to implement an Electronic Gateway Interface (EGI) that provides nondiscriminatory access to SWBT's pre-order process equivalent to that which is available to SWBT for

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types and functions as outlined in Attachment No. 3 to SWBT Exhibit No. 4 filed in Docket No. 96-395-U. SWBT: Should SWBT be required to provide the full complement of ordering and provisioning functionality through electronic interfaces for unbundled network elements and total service resale? (Order No. 5, II.1)		electronic interfaces that will be available for resale services and UNEs through company to company negotiations not later than June 1, 1997, with testing completed on a mutually agreed upon schedule necessary to meet the June 1, 1997 implementation date (Arbitration Award, pg 27). SWBT's own witness Springfield filed the implementation schedule that outlines the features and functionality for all pre-order and ordering types that the parties have negotiated. The intent of AT&T's language is to specifically identify the agreed upon set of features and functionalities, as set forth in the referenced document. AT&T's language is reasonable and should be included.	use with its end users. AT&T and SWBT agree to implement the electronic interface, which will be transaction based, to provide the pre-service ordering information (i.e., address verification, service and feature availability, telephone number assignment, dispatch requirements, due date, and Customer Service Record information (CSR) in English subject to the conditions as set forth in Attachment Resale) not later than July 1, 1997. SWBT and AT&T also agree to work together to implement an Electronic Data Interface (EDI) for ordering and provisioning specified in the Local Service Ordering Electronic Data Interchange (EDI) Support Implementation Guide (SIG) dated May 20, 1996, or as otherwise agreed to in writing by the Parties. Both EGI for pre-order and EDI for ordering and provisioning will be available <u>not later than July 1</u> , for all pre-order and ordering and provisioning order types and functions as outlined in <u>Attachment 3 to SWBT Exhibit No. 4 filed in Docket No. 96-395-U.</u>	electronic interfaces is complex, continued negotiations are the most appropriate course of action. Adoption of Attachment No. 3 would create unnecessary further disputes between the parties. Progress is being made through negotiations. Adoption of SWBT's language will be consistent with the agreement reached in the Arbitration and with SWBT's LBO which was adopted in Order No. 5.	use with its end users. AT&T and SWBT agree to implement the electronic interface, which will be transaction based, to provide the pre-service ordering information (i.e., address verification, service and feature availability, telephone number assignment, dispatch requirements, due date, and Customer Service Record information (CSR) in English subject to the conditions as set forth in Attachment Resale) not later than July 1, 1997. SWBT and AT&T also agree to work together to implement an Electronic Data Interface (EDI) for ordering and provisioning specified in the Local Service Ordering Electronic Data Interchange (EDI) Support Implementation Guide (SIG) dated May 20, 1996, or as otherwise agreed to in writing by the Parties. Both EGI for pre-order and EDI for ordering and provisioning will be available as agreed to by the Parties for all pre-order and ordering and provisioning order types.
22. Compensation: Whether SWBT should be required	Attachment 12: Compensation Section 3.3.3	• Issue number VII, 5 on page 38 specifically was requesting a decision on this issue. AT&T LBO states that in the situation where	<u>3.3.3 Transport and termination rates will vary according to whether the traffic is routed through a tandem switch or</u>	AT&T's proposed language would allow tandem switching compensation, in addition to end office switching compensation, for	SWBT objects to the inclusion of AT&T's proposed language in 3.3.3.

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to pay tandem interconnection rates if AT&T's end office switch functions as a tandem switch.		<p>the interconnecting carrier's switch serves a geographic area comparable to that served by the incumbent LECs tandem switch, the appropriate proxy for the interconnecting carrier's additional costs is the LEC tandem interconnection rate. The Arbitrator's decision on this issue is correct in that Bill and Keep (issue number 1) would apply, however, the question still not answered in the Arbitration is to determine what specific compensation elements must be tracked by the Parties in a Bill and Keep environment when SWBT's traffic terminates on a new entrants network. AT&T's bolded and underlined language should be included to indicate that as AT&T's capability expands to function as the tandem, the applicable charges would apply to SWBT.</p> <ul style="list-style-type: none"> If AT&T provides the Switch and the switch is functioning as a tandem switch, the applicable mutual compensation provisions should apply. The fact that AT&T is purchasing other UNE elements from SWBT does not change the function of AT&T's switch. It is either functioning as a tandem switch or an end office switch. 	<p><u>directly to the end office switch. The transport and termination rates assessed on the originating carrier should reflect the functions performed by the terminating carrier in transporting and terminating the calls. To the extent new technologies such as fiber ring or wireless network enable AT&T's end office switch to perform functions similar to those performed by SWBT's tandem switch and thereby to serve a geographic area comparable to that served by SWBT's tandem switch the transport and termination rates for all calls terminated to AT&T's switch will be the rates for tandem switching, tandem transport, and end office switching. However, if AT&T's switch is able to serve the same geographic areas as SWBT's tandem switch only by virtue of being connected to SWBT's tandem switch, AT&T will not charge SWBT the tandem interconnection rates because AT&T's end office switch is not performing any functions equivalent to those performed by SWBT's tandem switch.</u></p>	<p>functions that are performed only at an AT&T end office. The tandem switching compensation should be for the performance of a tandem function. If AT&T's end office serves the same geographical area as is served by a SWBT tandem switch, when AT&T receives traffic at its end office, tandem functions are not required. Under AT&T's proposed language, AT&T might be entitled to collect tandem compensation even though it performs none of these tandem functions.</p>	

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		SWBT's position seems to be that mutual compensation would not apply if AT&T purchased other UNE elements from SWBT, leading to the illogical and incorrect conclusion that the functioning of AT&T's switch should be ignored.			
<p><u>23. Reciprocal Compensation rates:</u></p> <p>Whether the State Commission will determine the rates for reciprocal compensation following the period of Bill and Keep.</p>	<p>Attachment 12 - Compensation: Section 3.4</p>	<ul style="list-style-type: none"> Bill and Keep was awarded for nine months after the initial passage of commercial traffic between the companies. In adopting AT&T's LBO for Bill and Keep, AT&T states that "if there is a disparity, AT&T requests rates (for termination and transport) to be set at TELRIC" (page 37, issue number 1) These rates will have no effect on reciprocal compensation so long as a Bill and Keep arrangement remains in place, however, should the Bill and Keep arrangement between AT&T and SWBT be found discriminatory to either party, the rates determined by the Commission through a TELRIC cost study would apply. SWBT's inclusion of their proposed termination and transport rates in this Agreement is not consistent with the Arbitration Award, regardless of whether the rates are eventually set at TELRIC. Issue number 2, 	<p>3.4 Local Interconnect : Following the nine (9) month Bill and Keep period, if the conditions set forth in Section 1.4 of this Attachment require reciprocal compensation arrangements between the Parties, the Parties will compensate each other at the rates ordered by the Commission <u>following the submission of TELRIC studies or pending verification of the required adjustments.</u></p>	<p>Although the Commission did not initially rule on the appropriate level of compensation rates due to its decision in favor of interim bill and keep, both parties agree that compensation rates should be in place should compensation be implemented. SWBT has developed those rates in accordance with the cost study methodology approved by the Commission, i.e., SWBT's original cost methodology adjusted to remove inflation factors and reduce the cost of capital. Approval of SWBT's language and proposed rates is consistent with the Commission's cost study findings in Order No. 5.</p>	<p>3.4. Following the nine (9) month Bill and Keep period, if the conditions set forth in Section 1.4 of this Attachment require reciprocal compensation arrangements between the Parties, the Parties will compensate each other at the rates ordered by the Commission.</p> <p>Prices</p> <p>Tandem Switching \$0.001665/MOU</p> <p>Tandem Common Transport Zone 1 \$0.000441/MOU Zone 2 \$0.000456/MOU Zone 3 \$0.000555/MOU</p> <p>End Office Switching Zone 1 \$0.002352/MOU Zone 2 \$0.006137/MOU Zone 3 \$0.004586/MOU</p>

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		page 38 indicates that because the Commission ruled in favor of Bill and Keep, the issue regarding rates for reciprocal compensation is not applicable. Should the parties reach a discrepancy in Bill and Keep and therefore compensation rates may be necessary, these rates should be cost based rates determined by the Commission unless the Parties otherwise agree. AT&T's language should be included and SWBT's excluded.			
<p><u>24. Optional Extended Area Service:</u></p> <p><u>AT&T:</u> Whether reciprocal compensation or access rates would apply for optional calling areas.</p> <p><u>SWBT:</u> Should reciprocal compensation or access charges apply for extended area calls?</p>	Attachment 12: Compensation Section 5.1	<ul style="list-style-type: none"> Issue number 3, page 38 of the Arbitration Award reads "Should reciprocal compensation or access charges apply for extended area calls?". The ALJ adopted the LBO of AT&T. "AT&T contends that for purposes of reciprocal compensation, traffic from extended area calls should be treated as local traffic." "SWBT states that calls between SWBT exchanges and the exchanges of other ILECs that share mandatory local calling scopes and all other calls between SWBT exchanges where optional calling plans exist should not be considered local traffic and access charges should apply." Therefore, SWBT's inclusion of this language in the contract is in direct 	AT&T objects to SWBT's language.	While Order No. 5 clearly included traffic for mandatory EAS calls in the local category, it is less clear that optional EAS traffic should be included in this category of traffic. The only optional EAS plan in Arkansas today is Metroplus for Benton and Bauxite, and while the Commission mentioned Metroplus, it also cited AT&T's argument that "all traffic which originates or terminates within the mandatory local calling area of SWBT, including extended area service should be considered local to ensure that AT&T can match the calling area of SWBT." Metroplus is not included in subscribers normal monthly rate. An additive applies, therefore it is reasonable that an additive should apply to such traffic exchanged	5.1 For SWBT optional calling areas the compensation for termination of intercompany traffic will be at the rate of \$.0160/MOU. This terminating compensation rate applies to all traffic to and from optional exchanges and the associated metropolitan area. This is independent of any retail service arrangement established by either Party. Upon request, SWBT will provide a list of SWBT optional exchanges. When cost-based interconnection rates for EAS are established by the State Commission, AT&T's traffic in SWBT's EAS areas will be subject to the lesser of the cost-based interconnection rates.

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		contradiction with the Commission's award. SWBT's inclusion of an access based rate is anticompetitive and in conflict with the Award and the 1996 Act.		between two local service competitors. Approval of SWBT's language will not hinder AT&T's ability to offer its subscribers any calling scope AT&T chooses.	

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UNBUNDLED NETWORK ELEMENTS

Issue:	Attachment and Sections	AT&T: Reason why language should be included or excluded	AT&T Language	SWBT: Reason why language should be included or excluded	SWBT Language
<p>1.</p> <p>AT&T: May SWBT restrict AT&T from connecting or combining unbundled network elements (UNEs) with access services or tariffed services?</p> <p>SWBT: To what extent should AT&T be permitted to combine network elements? (Order No. 5. V.9)</p>	Attachment 6, section 2.2.	<p>The Commission awarded AT&T the full functionality of UNEs on page 22 of the Award.</p> <p>Section 251(c)(3) of the Act requires SWBT to provide access to unbundled network elements "in a manner that allows requesting carriers to combine" such elements in order to provide" a telecommunications service. The FCC has held "that this language bars incumbent LECs from imposing limitations, restrictions, or requirements on requests for, or the sale or use of, unbundled network elements that would impair the ability of requesting carriers to offer telecommunications services in the manner that they intend." FCC Order at ¶ 292.</p> <p>In its proposed Section 2.2 of Attachment 6, SWBT has taken the position that, under the Act, AT&T may not combine or connect UNEs to access services or tariffed services provided by SWBT.</p> <p>SWBT's position is contrary to the Commission's Order, the Act and the FCC Order. This Commission held that AT&T must be allowed to combine network elements without restriction. Arbitration Order at 28. The Act permits CLECs, including AT&T, to use UNEs without restriction, however they deem appropriate to provide a telecommunications service. To take one example, a CLEC may purchase an unbundled DS1 loop and cross-connect that loop to</p>	<p>2.2 AT&T may combine any unbundled Network Element with any other element, equipment, or facility in its network, without restriction, regardless of whether that other element, equipment, or facility is owned or managed by AT&T, for the provision by AT&T of a telecommunications service, provided that the combination is technically feasible and would not impair the ability of other carriers to obtain access to other unbundled Network Elements or to interconnect with SWBT's network.</p>	<p>Order No. 5 made it clear that AT&T may combine unbundled network elements into a working service and pay the rates for unbundled elements. AT&T is attempting to "grow" this issue into permission to combine unbundled network elements with both tariffed services and access services. Sec. 251(c)(3) of the Act does not require the Commission to allow the combination of UNEs with tariffed services. Nothing in the Arbitration would suggest that prohibiting AT&T from such combinations would impair its ability to offer competitive local exchange services. Allowing combinations like this would in fact allow AT&T to circumvent the terms and conditions of state and federal tariffs. While Sec. 251(c)(3) does require SWBT to provide nondiscriminatory access to network elements on an unbundled basis, it does not extend to allowing combinations with tariffed services and access services. Indeed, the FCC Order (par. 341) refused to permit an LSP to offer "a combination of unbundled elements and services available for resale."</p>	<p>2.2 AT&T may combine any unbundled Network Element with any other element without restriction. Unbundled Network Elements may not be connected to or combined with SWBT access services or other SWBT tariffed service offerings with the exception of tariffed collocation services. This paragraph does not limit AT&T's ability to permit IXCs to access ULS for the purpose of terminating InterLATA and IntraLATA access traffic or limit AT&T's ability to originate InterLATA or IntraLATA calls using ULS consistent with section 5 of this attachment. Further, when customized routing is used by AT&T, pursuant to section 5.2.4 of this Attachment, AT&T may direct local, local operator services, and local directory assistance traffic to dedicated transport whether such transport is purchased through the access tariff or otherwise.</p>

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		<p>SONET facilities purchased out of the STN tariff (according to the jurisdictional requirements of that tariff). Through this combination the CLEC can provide private line service to a customer. Nothing in the Act authorizes or justifies SWBT's attempt to foreclose such combinations. Under the Act, AT&T must be able to combine unbundled elements in many different ways in order to meet the needs of its end user customers. AT&T should have the ability to combine access services and tariffed services with unbundled elements for its local customers just as SWBT can provide access and other tariffed services for its local customers.</p> <p>SWBT attempts to "clarify" its position, stating that this does not limit AT&T's combination of UNEs and tariffed services for collocation, long distance calling, and customized routing. This is inconsistent with their reasoning, which says that no combinations of UNEs and tariffed services are permitted. Where is the citation that specifies that these combinations are allowed, yet others are not? Here, SWBT attempts to act in a policing role, "allowing" AT&T to combine certain UNEs and tariffed services, where their position would otherwise seem absurd, yet reserving the right to disallow other uses that would allow for efficient networks and possibly result in reduced "entitlement" revenue for SWBT.</p>			

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		SWBT's language should be rejected. SWBT would limit AT&T to combining unbundled network elements to other "elements." AT&T has the right under the Act to combine SWBT network elements with AT&T's own facilities, however it has acquired the use of those facilities. SWBT seeks here to limit the ways in which AT&T may use network elements. No such limit is provided under the Act. Where AT&T purchases UNEs, it purchases exclusive use of those facilities for the provision of telecommunications services to AT&T's customers. It is not for SWBT to say what kind of traffic AT&T may carry over UNEs or what facilities or services may be combined with UNEs. AT&T has proposed contract language that would recognize its unqualified right to combine UNEs with other equipment and facilities, whether owned or managed by AT&T or third parties, for the provision of a telecommunications service. AT&T's proposed language should be included in the contract because it is consistent with the Act and will provide for implementation of the network unbundling ordered by the APSC without unnecessary disputes.			
3. May SWBT collect intrastate access charges from AT&T when it purchases UNEs?	Attachment 6, section 2.19.1	The Commission awarded AT&T the full functionality of UNEs on page 22 of the Award, with the exception of IntraLATA toll revenue until SWBT enters long distance, or until 3 years after the enactment of the Act. Otherwise, AT&T should be able to	2.19.1 When AT&T purchases an unbundled Local Switching element, SWBT will charge AT&T the CCLC (as CCLC may change from time to time) and <u>75%</u> of the RIC for all minutes of AT&T customer traffic traversing that unbundled Local	The Act undeniably contemplates the protection of existing state access revenue sources as a means of continued support for local exchange services. AT&T wishes the application of access charges to comport with the FCC Order. This	2.19.1 When AT&T purchases an unbundled Local Switching element, SWBT will charge AT&T an amount equal to the CCLC (as CCLC may change from time to time) and 100% of the RIC for all interLATA toll minutes of AT&T

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		<p>utilize UNEs to provide exchange access services, as provided for in the Telecommunications Act of 1996 and the FCC Order.</p> <p>The FCC has recognized that section 251(c)(3) of the Act permits requesting telecommunication s carriers to purchase UNEs for the purpose of offering exchange access services, or for the purpose of providing exchange access services to themselves in order to provide interexchange services to consumers. FCC Order, ¶ 356. For that reason, the FCC properly concluded that telecommunications carriers purchasing UNEs to provide interexchange services or access services are not required to pay federal or state exchange access charges except for a limited transition mechanism. <i>Id.</i> at ¶ 363. The FCC recognized that payment of access charges in addition to UNE charges would violate the cost-based pricing standard for UNEs under the Act.</p> <p>When a telecommunication carrier purchases UNEs from SWBT, it is purchasing a different product, i.e., the right to exclusive access or use of an entire element, it is not purchasing exchange access service. As a result, exchange access service rates should not be applicable to this new product. If SWBT was allowed to also collect access charges in addition to the charges for UNE, It would receive compensation in excess of its underlying network costs for the</p>	<p>Switching element. SWBT charges for the CCLC and RIC under this section will continue until the <u>earliest of: (a) the date on which SWBT is authorized to offer in region interLATA service pursuant to Section 271 of the Act; (b) the effective date of a State Commission decision that SWBT may not assess such charges; or (c) until June 30, 1997.</u></p>	<p>portion of the FCC Order has been stayed by the 8th Circuit. Thus, SWBT is entitled to continue to collect access charges in conjunction with unbundled elements until rules adopted by the FCC actually become effective.</p>	<p>customer traffic traversing that unbundled Local Switching element. SWBT charges for the CCLC and RIC under this section will continue until the effective date of a Commission decision that SWBT may not assess such charges.</p>

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		<p>UNE product, in violation of the cost-based standard established under the Act. As a transitional mechanism to the implementation of fully cost-based rates, the FCC has allowed ILECs to charge the CCLC and 75% of the RIC, for a limited time, as an additional charge for traffic traversing the unbundled network elements.</p> <p>Very recently, the FCC has confirmed that access charges will not apply to unbundled network elements that are purchased by carriers to provide local exchange services or exchange access services. FCC Access Charge Reform Order, ¶¶337-340 (May 1997). The FCC confirmed that the transitional collection of the CCLC and RIC (75%) will end June 30, 1997. <u>Id.</u> At ¶339.</p> <p>In keeping with this construction of the Act, AT&T has proposed contract language that would prohibit SWBT from collecting intrastate access charges from AT&T when AT&T purchases UNEs, but would allow SWBT to continue collecting the CCLC until the earliest of three dates: June 30, 1997; the date SWBT is authorized to offer in region interLATA service in Arkansas under section 271; or the effective date of a Commission decision that SWBT may no longer collect these transition access charges. SWBT has been unwilling to agree to a date certain for the end of these transitional access payments or to recognize the clear legal requirement</p>			

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Issue:	Attachment and Sections	Reason why language should be included or excluded AT&T Language	Reason why language should be included or excluded SWBT Language
		<p>that it may not continue to collect these access payments after such time as it receives section 271 authority.</p> <p>AT&T's proposed language is in keeping with the Arbitration Order in this case. While the ALJ did not directly address intrastate access charges for UNEs, she did rule that SWBT must compensate AT&T for access on intraLATA toll calls placed by AT&T UNE customers prior to dialing parity. Arbitration Order at 22. Consistent with her recognition of AT&T's right to the exclusive use of unbundled elements that it has purchased, SWBT may not collect access charges for exchange access services that AT&T provides over those elements to enable its UNE customers to place intrastate interLATA calls. The FCC's recent Access Charge Reform Order confirms that AT&T's position is correct. AT&T's proposed contract language should be adopted as consistent with the Act.</p>	
<p>9. Ordering connected elements:</p> <p>AT&T: When AT&T orders elements that are already connected and functional, may SWBT disconnect those elements for its own business purposes,</p>	<p>Attachment 7, sections 6.12.</p> <p>See Issue 9, Matrix C</p>	<p>The Commission ruled that "An end user that chooses to switch LECs should not be penalized for that decision through delays, excess charges, or unnecessary inconvenience." (order p. 12) In adopting SWBT's LBO on "as is" ordering, the Commission stated that service interruptions to end users should be avoided wherever possible</p>	<p>6.12 <u>When AT&T orders Elements or Combinations that are currently interconnected and functional, such Elements and Combinations will remain interconnected and functional without any disconnection and without loss of feature capability and without loss of associated Ancillary Functions. This will be known as Contiguous Network Interconnection of</u></p> <p>As SWBT adequately explained in the Arbitration, SWBT's policy is to avoid unnecessary service interruptions when converting to a UNE environment. Unfortunately, changes do require limited service interruptions and SWBT has committed to minimize their effects. Interruptions will be limited to the least amount of time possible, and to the same degree as when SWBT</p> <p>SWBT objects to the inclusion of AT&T's proposed language in 6.12.</p>

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Issue:	Attachment and Sections	Reason why language should be included or excluded AT&T	Reason why language should be included or excluded AT&T Language	Reason why language should be included or excluded SWBT	Reason why language should be included or excluded SWBT Language
<p>resulting in disruption of service? (See Matrix C issue 9, for a discussion of unjustified non-recurring charges.)</p> <p>SWBT: Should service interruption of new entrants' customers be allowed when customers change from one local service provider to another without a change in service? (Order No. 5, II.3)</p>		<p>and that the "end user should not be penalized for choosing a different service provider." <u>Id.</u> At 20. SWBT's proposed charges for establishing service for AT&T customers, as well as their intention to disconnect service for no reason save their own internal business processes, subverts the Commission's intent.</p> <p>One likely use of unbundled network elements for a new entrant is to order from the ILEC the complete combination of elements needed in order to deliver telecommunications service to a retail customer through a physical configuration of network facilities that is unchanged from the facilities that serve the customer today. By ordering the local loop and local switch port that serve that customer and using those elements in combination with the common network elements to which they are already interconnected (e.g., common transport, signaling and databases, tandem switching), the new entrant can deliver the same end-to-end service that had been provided by the ILEC. Through such a UNE "platform", AT&T and other CLECs may obtain the benefits of cost-based pricing, creating the opportunity for more competitive retail pricing offers, and giving it the flexibility to design customized offers, particularly for vertical services. A UNE platform also is the means by which a new entrant may offer services that are differentiated from the ILEC's services, without having to duplicate the ILEC's existing network at the time of entry.</p>	<p><u>Network Elements. There will be no charge for such interconnection.</u></p>	<p>customers must experience interruptions.</p>	

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		<p>With time and development of the customer base, the new entrant can substitute its own facilities more broadly. The UNE platform creates an economic, marketing, and technical basis for transition to facilities-based competition.</p> <p>By adopting the LBO of AT&T ("there should be no restrictions on its ability to combine network elements;" order at p. 28), this Commission joined the FCC and each of the other state commissions in SWBT's traditional local service territory in concluding that AT&T (and other CLECs) may purchase and use the UNE platform for competitive entry, without a requirement that it own its own facilities. See FCC Order, ¶ 331; Texas Arbitration Award at 6; Kansas Arbitration Order at 43; Missouri Arbitration Order at 13; Oklahoma Arbitration Order at 5.</p> <p>SWBT has aggressively opposed the UNE platform in this arbitration and others. It has appealed the Texas award, complaining that it authorizes "sham unbundling." SWBT's legal opposition to the UNE platform has carried over into contract negotiations. SWBT has been unwilling to agree to reasonable contract provisions that will enable AT&T to implement UNE platform purchases, and it has adopted an operational plan for implementing UNE service that will place CLECs who use the UNE platform at a significant competitive disadvantage.</p>			

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Issue:	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>In attempting to put into contract terms AT&T's right to order the complete combination of network elements needed to provide end-to-end service to a customer, the Parties have reached two chief areas of disagreement. The first is SWBT's assertion that it may collect nonrecurring charges for orders that do not cause SWBT any one-time expenses other than service order processing expenses (which AT&T will pay). The second is SWBT's unwillingness to commit that it will not interrupt service to customers who convert to AT&T UNE service, even though interruption is technically unnecessary.</p> <p><u>Unnecessary Service Interruption</u></p> <p>Another consequence of SWBT's business decision to treat all UNE circuits as special designed circuits is to force a customer service outage whenever a SWBT customer is converted to UNE-based service, in order to install a SMAS test point in the local loop. Where the loop and switch port are ordered in combination, there is no technical necessity for interrupting service to install the test point, because automated loop testing is still available through the MLT system, as explained above</p> <p>Under SWBT's approach, any local service provider who uses UNF combinations as one market entry strategy will find itself competing with one hand tied behind its back. For a</p>			

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Issue:	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>new entrant to be required to tell prospective customers that they must expect an interruption of service, even if brief, represents a very serious competitive disadvantage. Section 251(c)(3) of the Act requires SWBT to provide access to UNEs on terms that are just and reasonable, as well as nondiscriminatory. "These terms require incumbent LECs to provide unbundled elements under terms and conditions that would provide an efficient competitor with a meaningful opportunity to compete." FCC Order, ¶ 315. Causing unnecessary service interruptions violates this standard. Further, there is no justification for imposing a service interruption on end user customers so that SWBT can install an unnecessary test point.</p> <p>AT&T has proposed language that would prohibit interruption of customer service when AT&T orders the complete UNE platform for a customer, with no change in features. See Appendix Pricing UNE, section 3.1. No physical or software change to the facilities serving the customer are required in those circumstances, so no outage can be justified. AT&T also has proposed language that would limit customer interruptions when the only change required by an AT&T UNE order is the execution of a "recent change order" to provide for customized routing of the customer's OS/DA calls, at a switch that already has been set up for customized</p>			

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Issue:	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
		<p>routing to AT&T's OS/DA platforms. See Appendix Pricing UNE, section 3.2. This "recent change order" takes only a fraction of a second of computer processing time to execute, and the proposed contract language limits customer outage in such situations orders to the required processing time. AT&T understands SWBT to agree that this is the only outage technically required in such situations, but for SWBT's decision to insist on installing an automated test point in the loop. Like nonrecurring charges, SWBT's business choice to place all UNE circuits under its WFA system, with the consequence that test points must be installed, cannot justify imposing on AT&T the competitive disadvantage of a customer service interruption in situations where that interruption is otherwise unnecessary.</p> <p>AT&T's proposed language prohibiting and limiting customer service interruptions in the situations described above should be accepted in order to provide AT&T with nondiscriminatory access to element combinations on terms that will provide it with a meaningful opportunity to compete.</p>			
11. Should the Agreement provide that Digital Cross Connect System will be offered as part of dedicated transport at parity with SWBT's	Attachment 6, Sections 8.2.3.1, 8.2.3.4	AT&T has proposed contract language that would require SWBT to offer Digital Cross Connect System functionality (DCS) as part of the dedicated transport element with the same functionality SWBT provides to itself. The Commission	<u>8.2.3.1 SWBT will offer Digital Cross-Connect System (DCS) as part of the unbundled dedicated transport element with the same functionality that SWBT provides to itself or additional functionality as the Parties may agree.</u>	The definition of DCS rate elements are directly from SWBT's long standing access tariffs and are in full compliance with FCC Rules. Furthermore, as in Issue 41. above, SWBT should not be compelled to provide DCS with capabilities in	<u>8.2.3.1 SWBT will offer Digital Cross-Connect System (DCS) with the same functionality that is offered to interexchange carriers, or additional functionality as the Parties may agree.</u>

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Issue:	Attachment and Sections	AT&T Reason why language should be included or excluded	AT&T Language	SWBT Reason why language should be included or excluded	SWBT Language
own access to DCS?		<p>adopted AT&T's LBO on this issue. Arbitration Order at 30-31. Nevertheless, SWBT continues to insist on limiting AT&T's unbundled access to DCS functionality to the functionality SWBT offers DCS to interexchange carriers, and SWBT opposes the language that treats DCS as part of the dedicated transport element. The latter dispute is not mere semantics. The FCC Order required ILECs to provide requesting carriers with access to DCS functionality "as a condition of offering unbundled interoffice facilities." FCC Order at ¶ 444.</p> <p>The contract should recognize DCS functionality as part of the dedicated transport element that SWBT is required to unbundle, not a service that SWBT may elect in its business discretion to offer or not. DCS functionality available to AT&T should be at parity with the functionality available to SWBT. AT&T's proposed language for Attachment 6, Section 8.2.3.1 should be accepted.</p> <p>AT&T also has proposed contract language that will require SWBT to provide SONET capability through DCS to the extent technically feasible and to the same extent that capability is available to SWBT for its use in providing telecommunications services. SWBT has objected and taken the position that AT&T's access to DCS functionality should be limited to whatever functionality SWBT chooses to make available to IXCs.</p>	<p>8.2.3.4 AT&T may use the DCS to directly access and control AT&T's 45 Mbps or 1.544Mbps facilities or unbundled Dedicated Transport, subterminating channels, and Intermodal Facilities (the facilities that connect a DCS in one central office with a DCS in another central office). DCS devices will perform 3/3, 3/1, and 1/0 type functions. <u>Where DCS devices are SONET capable and will terminate SONET signals, SWBT will make such SONET capabilities available to AT&T to the extent technically feasible and to the extent such capability is available to SWBT for its use in providing telecommunications service.</u></p>	<p>excess of those it offers to IXCs. AT&T clearly is attempting to impose additional DCS requirements for its cross connect systems beyond those required by the FCC. The FCC has specifically decided that incumbent LECs have the obligation to offer DCS to LSPs in the same manner as that element is offered to IXCs.</p>	<p>8.2.3.4 AT&T may use the DCS to directly access and control AT&T's 45 Mbps or 1.544 Mbps facilities or unbundled Dedicated Transport, subterminating channels, and Intermodal Facilities (the facilities that connect a DCS in one central office with a DCS in another central office). DCS devices will perform 3/3, 3/1, and 1/0 type functions.</p>

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		Again, SWBT's position runs contrary to this Commission's ruling in favor of AT&T's LBO on DCS. Moreover, the Act requires SWBT to provide UNEs that are equal in quality to the facilities that SWBT provides to itself. See FCC Order at ¶ 313. DCS fits the definition of network element as a facility or equipment use in the provision of a telecommunications service. 47 C.F.R. §51.5. It forms a part of the dedicated transport element as discussed above. If SWBT uses DCS functionality in providing telecommunications service in a way that it does not offer as a service for purchase by IXCs, it still must provide access to that functionality as an unbundled element to meet the requirement of nondiscriminatory access to UNEs. AT&T's proposed language for Section 8.2.3.4 should be accepted.			
13. UNE Pricing - IntraLATA Toll SWBT: Should SWBT provide the full functionality of UNEs, inclusive of IntraLATA toll and exchange access, to new entrants? (Order No. 5, V.1)	Appendix Pricing UNE, Section 5.2.2.2.1.1	The Commission ruled that, prior to dialing parity, when an AT&T UNE customer places an IntraLATA toll call, SWBT will bill AT&T its IntraLATA toll rates and will keep the revenues, <u>except</u> that SWBT must compensate AT&T for the access charges applicable to IntraLATA toll calls (because SWBT will be accessing AT&T's UNE network for such calls). Arbitration Order at 22. AT&T's proposed Section 5.2.2.2.1.1 of Appendix Pricing UNE would implement this ruling by providing for SWBT to pay AT&T the applicable access charges when it receives	<u>5.2.2.2.1.1 Until the implementation of IntraLATA Dialing Parity, SWBT will pay AT&T applicable CCL, RIC, Local Switching, Information Surcharge, and Local Transport access rates for IntraLATA Toll calls when SWBT receives IntraLATA Toll Revenue.</u>	AT&T persists in its wish to charge into the IntraLATA toll business, using unbundled elements as the catalyst. As the Commission stated in Order No. 5, "AT&T cannot have IntraLATA toll dialing parity with SWBT until SWBT receives approval from the FCC to provide InterLATA toll service or three years from the date of enactment of the 1996 Act."	<u>5.2.2.2.1.1 Until the implementation of IntraLATA Dialing Parity, AT&T will pay IntraLATA toll rates for all IntraLATA toll calls initiated by an AT&T ULS Port. No ULS usage charges will apply to AT&T.</u>

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		<p>intraLATA toll revenue (pre-dialing parity).</p> <p>SWBT's competing proposal, which would have AT&T paying the intraLATA toll to SWBT with no provision for access payments to AT&T, is plainly contrary to the Commission's ruling. AT&T's proposed language should be adopted.</p>			
<p>15.</p> <p>AT&T: When AT&T originates and terminates toll calls through a SWBT unbundled local switch, should AT&T or SWBT collect access from the IXC?</p> <p>SWBT: When AT&T originates and terminates toll calls through a SWBT unbundled local switch, should AT&T or SWBT collect access from the IXC?</p>	<p>Appendix Pricing UNE, Sections 5.2.2.2.1.2.1, 5.2.2.2.1.2.2, 5.2.2.2.1.3, 5.2.2.2.2.1, and 5.2.2.2.2.2</p>	<p>The Commission awarded AT&T the full functionality of UNEs on page 22 of the Award. As discussed in connection with Attachment 6, Section 2.19.1, AT&T is entitled under the Act to use unbundled network elements to provide telecommunications services without restriction, including exchange access services and toll services. AT&T is no longer required to pay SWBT access charges in connection with toll calls traversing network elements purchased from SWBT. The FCC's very recent Access Charge Reform Order confirms this rule.</p> <p>Correspondingly, for calls originated or terminated by an AT&T local service customer using UNE switching, it will be AT&T who will bill the IXC for access charges applicable to that call, not SWBT. The FCC explained this result in footnote 772 to the FCC Order: "We also note that where new entrants purchase access to unbundled network elements to provide exchange access services, . . . the new entrants may assess access charges to the IXCs originating or</p>	<p><u>5.2.2.2.1.2.1 AT&T may provide exchange access transport services to IXCs, upon request, using unbundled network elements. For interLATA toll calls and intraLATA toll calls (post dialing parity) that are originated by local customers using SWBT unbundled local switching, AT&T may offer to deliver the calls to the PIC at the SWBT access tandem, with AT&T using unbundled common transport and tandem switching to transport the call from the originating unbundled local switch to the PIC's interconnection at the access tandem. When the PIC agrees to take delivery of toll calls under this arrangement, then AT&T will pay SWBT ULS-O usage, signaling, common transport, and tandem switching for such calls. SWBT will not bill any access charges to the PIC under this arrangement. AT&T may use this arrangement to provide exchange access services to itself when it is the PIC for toll calls originated by AT&T local customers using SWBT unbundled local switching.</u></p>	<p>SWBT will charge the LSP access charges for UNEs used to provide intrastate access service. The LSP will bill the IXC whatever access charges it desires for access services it provides and SWBT will bill the IXC access on a meet point billed basis for access services it provides directly to the IXC.</p>	<p>5.2.2.2.1.2 After the implementation of IntraLATA Dialing Parity, IntraLATA toll calls from AT&T ULS Ports will be routed to the end user IntraLATA Primary Interexchange Carrier (PIC) choice. AT&T will pay ULS-O, signaling. When an InterLATA toll call is initiated from an ULS port it will be routed to the end user InterLATA PIC choice. ULS-O usage and signaling charges will apply to AT&T in such event.</p> <p>5.2.2.2.1.1 When an IntraLATA (after dialing parity) or InterLATA toll call terminates to an AT&T ULS Port, AT&T will pay ULS-T charges.</p> <p>5.2.2.2.2. Illustrative IntraLATA (Post IntraLATA Dialing Parity) and InterLATA Call Flows.</p> <p>The paragraphs below illustrate Post IntraLATA Dialing Parity applications and InterLATA applications. They provide examples of application of usage sensitive UNE charges.</p> <p>5.2.2.2.2.1 AT&T (UNE) Terminating, AT&T pays: ULS - T, The IXC will choose the transport.</p>

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		<p>terminating toll calls on those elements. In these circumstances, incumbent LECs may not assess exchange access charges to such IXCs because the new entrants, rather than the incumbents, will be providing exchange access services, and to allow otherwise would permit incumbent LECs to receive compensation in excess of network costs in violation of the pricing standard in Section 252(d)." FCC Order at ¶ 363, n. 772.</p> <p>The exception to this access payment occurs when an IXC enters into a contractual agreement with SWBT indicating that SWBT will be the access provider of tandem switching and transport. In those cases, AT&T will only receive the originating or terminating switching portion of the access. AT&T may, however, establish its own contractual relationships with the IXCs to be the access provider for tandem switching and transport. If this is the case, then AT&T will receive the associated access revenue.</p> <p>The interconnection agreement should reflect a proper understanding between the parties regarding which of them is to bill access charges to IXCs associated with UNE calls. In recent negotiations, SWBT has taken the view that access charges will be "shared" in the future, with AT&T to bill access related to the local switching element but SWBT in all cases to continue billing access</p>	<p><u>5.2.2.2.1.2.2 If the PIC elects to use transport and tandem switching provided by SWBT to deliver InterLATA toll calls or IntraLATA toll calls (post dialing parity) that are originated by AT&T local customers using SWBT unbundled local switching, then AT&T will pay SWBT ULS-O usage and signaling only in connection with such calls. SWBT will not bill the PIC any originating switching access charges in connection with such calls.</u></p> <p><u>5.2.2.2.1.3 When an IntraLATA or InterLATA toll call terminates to an AT&T ULS Port, AT&T will pay ULS-T charges and SWBT will not charge terminating access to AT&T or the IXC except that SWBT may bill the IXC for terminating transport in cases where the IXC has chosen SWBT as its transport provider.</u></p> <p><u>5.2.2.2.2.1</u> <u>AT&T (UNE) Terminating</u> <u>AT&T pays:</u> <u>·ULS - T</u> <u>AT&T receives:</u> <u>Terminating access</u></p> <p><u>5.2.2.2.2.2 AT&T (UNE) Originating</u> <u>AT&T pays:</u> <u>·ULS - O</u> <u>·SS7 Signaling</u> <u>Common Transport and Tandem Switching where applicable</u> <u>AT&T receives:</u></p>		<p>5.2.2.2.2.2 AT&T (UNE) Originating, AT&T pays: ULS - O, SS7 Signaling. The IXC will choose the transport.</p>

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